

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE: § **CASE NO. 24-10120-smr**
TEXAS REIT, LLC § **CHAPTER 11**
DEBTOR. §

GEORGE LEE §
Plaintiff §
v. § **ADV. NO. 24-1039**
TEXAS REIT, LLC and §
ALI CHOUDHRI §
Defendants §

MOTION TO EXPUNGE NOTICE OF LIS PENDENS

COMES NOW Texas Reit, LLC, Defendant, and files this Motion to Expunge Notice of Lis Pendens and would show as follows:

1. On June 18, 2024, George Lee filed Case No. 2024-38472, styled George M. Lee v. Ali Choudhri, Texas REIT, LLC and Dalio Holdings, LLC in the District Court of Harris County. On the same day, he filed a Notice of Lis Pendens at RP 2024-221843.
2. On July 9, 2024, Debtor's counsel informed Mr. Lee that his suit was violation of the automatic stay and demanded that the suit be dismissed and the Notice of Lis Pendens be released.
3. On July 11, 2024, George M. Lee filed a Notice of Nonsuit and a Release of Notice of Lis Pendens.
4. On July 10, 2024, George Lee filed an Adversary Complaint against the Debtor and Ali Choudhri. The Complaint seeks a determination that Texas REIT, LLC is liable for a judgment against Ali Choudhri because Texas REIT is alleged to be the alter ego of Choudhri.

5. On July 11, 2024, Mr. Lee filed a Notice of Lis Pendens at RP-2024-249043. A true and correct copy of the Notice of Lis Pendens is attached as Exhibit A.

6. Under Texas Property Code Sec. 12.0071(a), a party against whom a notice of lis pendens has been filed may apply to the court to expunge the notice.

7. Under Sec. 12.0071(c), the Court “shall order the notice of lis pendens expunged if the court determines that the pleading on which the notice is based does not contain a real property claim.”

8. Under Tex. Prop. Code Sec. 12.007(a), a notice of lis pendens may be filed in an eminent domain proceeding or an action involving title to real property, the establishment of an interest in real property, or the enforcement of an encumbrance against real property.” “A notice of lis pendens broadcasts ‘to the world’ the existence of ongoing litigation regarding ownership of the property.” *Sommers v. Sandcastle Homes, Inc.*, 521 S.W.3d 749, 753 (Tex. 2017).

9. The suit filed by George M. Lee seeks to establish that Texas REIT, LLC is the alter ego of Ali M. Choudhri and is therefore liable for his debts under a theory of reverse veil piercing. The suit does not involve title to real property, the establishment of an interest in real property or the enforcement of an encumbrance against real property. Because the suit does not contain a real property claim, the notice of lis pendens must be expunged.

10. In the alternative, if the suit was filed to enforce an encumbrance against real property or otherwise to affect the title to real property owned by the debtor, then the notice was filed in violation of the automatic stay. Under 11 U.S.C. Sec. 362(a), the stay applies to:

- (2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case under this title;
- (3) any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate;
- (4) any act to create, perfect, or enforce any lien against property of the estate;
- (5) any act to create, perfect, or enforce against property of the debtor any lien to the extent that such lien secures a claim that arose before the commencement of the case under this title;

(6) any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under this title.

Thus, if the notice of lis pendens is intended to affect title to the debtor's real property or affix a lien against the debtor's real property, the filing of the notice of a violation of the automatic stay and is therefore voidable by this court.

WHEREFORE, PREMISES CONSIDERED, Defendant Texas REIT, LLC prays that this court order that the Notice of Lis Pendens filed at RP-2024-249043 be expunged and for such other relief, at law and in equity to which it may be entitled.

BARRON & NEWBURGER, P.C.

Dated: December 10, 2024

/s/Stephen W. Sather
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Certificate of Service

By my signature below, I certify that this motion was served by CM/ECF to the following on this the 10th day of December 2024:

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/s/Stephen W. Sather
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